

# Senate Joint Resolution 1 - Introduced

SENATE JOINT RESOLUTION \_\_\_\_\_  
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Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## SENATE JOINT RESOLUTION

1 A Joint Resolution proposing an amendment to the Constitution of  
2 the State of Iowa requiring approval by popular election  
3 before certain tax or fee increases take effect.  
4 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 2012XS 82  
6 sc/es/88

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1 1 Section 1. The following amendment to the Constitution of  
1 2 the State of Iowa is proposed:  
1 3 The Constitution of the State of Iowa is amended by adding  
1 4 the following new sections to new Article XIII:  
1 5 ARTICLE XIII  
1 6 PEOPLE'S RIGHT TO VOTE ON TAX OR FEE INCREASES  
1 7 PEOPLE'S RIGHT TO VOTE ON TAX OR FEE INCREASES. SECTION 1.  
1 8 If all tax and fee increases adopted in a fiscal year would  
1 9 produce new annual revenue exceeding one percent of total  
1 10 state general fund revenue received in the preceding fiscal  
1 11 year, excluding transfers from other state funds, the  
1 12 increases shall be submitted to the electors, starting with  
1 13 the largest increase and including increases in descending  
1 14 order, except the remaining increases that total one percent  
1 15 or less. All increases of any one tax or fee shall together  
1 16 be regarded as one increase. An adopted tax or fee increase  
1 17 required by this article to be submitted to the electors shall  
1 18 take effect only if submitted to the electors at the next  
1 19 state general election and approved by a majority of the  
1 20 electors voting thereon.  
1 21 APPLICATION. SEC. 2. In this article:  
1 22 1. "Local governments" includes all political  
1 23 subdivisions.  
1 24 2. a. "Increase" includes but is not limited to imposing  
1 25 a new tax or fee; raising a rate or amount; repealing,  
1 26 reducing, or delaying an exemption, deduction, credit,  
1 27 exclusion, reduction, or indexing requirement; or broadening  
1 28 the base or scope of a tax or fee in any way.  
1 29 b. "Increase" includes legislation that allows or requires  
1 30 one or more local governments, with or without approval by  
1 31 local electors, to impose or increase any tax on income,  
1 32 sales, or property, but excludes legislation in which the only  
1 33 subject matter is establishment of the state percentage of  
1 34 growth for school foundation aid.  
1 35 c. "Increase" of property tax includes legislation that  
2 1 has the effect of reducing total state funds transferred to  
2 2 all local governments in a fiscal year in comparison with the  
2 3 preceding fiscal year, taking into account all legislation  
2 4 increasing or reducing such transfers.  
2 5 d. "Increase" of property tax includes legislation that  
2 6 has the effect of requiring local governments to incur  
2 7 aggregate net cost increases in a fiscal year, after deducting  
2 8 increased transfers of state funds for the express purpose of  
2 9 offsetting those cost increases. Such increased transfers  
2 10 shall be deducted under this paragraph and not under paragraph  
2 11 "c".  
2 12 3. "New annual revenue" means the estimated net increase  
2 13 over the fiscal year preceding adoption in total state general  
2 14 fund revenue produced by the total of all tax and fee  
2 15 increases adopted in a fiscal year, less estimated refunds  
2 16 payable as a result of the increases, all as estimated for the

2 17 fiscal year in which all such increases are adopted, as if all  
2 18 such increases and refunds were fully effective and entirely  
2 19 implemented for that full fiscal year. Actual amounts, if  
2 20 known, shall be used instead of estimates.

2 21 4. "Adopted" or "adoption" means that after 2010, a bill  
2 22 has been passed and all requirements of article III have been  
2 23 met, so that the bill would become law except for the  
2 24 requirements of this article.

2 25 5. This article does not apply to taxes and fees subject  
2 26 to article VII, sections 5 and 8.

2 27 EMERGENCY. SEC. 3. A temporary exception to the preceding  
2 28 requirements of this article shall be allowed only to this  
2 29 extent and only if all these conditions are met: (1) the  
2 30 Governor requests the General Assembly to adopt an emergency  
2 31 tax increase for only one specified fiscal year; (2) the  
2 32 request specifically states the nature of the emergency, the  
2 33 expenditures needed to respond to the emergency, and the  
2 34 proposed tax increase to pay for the emergency expenditures  
2 35 for that year; and (3) a law declaring an emergency and  
3 1 providing an emergency tax increase in accordance with the  
3 2 Governor's specific request is passed by a vote of two-thirds  
3 3 of all the members elected to each branch of the General  
3 4 Assembly and is approved by the Governor. Such law shall not  
3 5 be passed more than four months prior to the fiscal year to  
3 6 which it applies. Such law must be enacted prior to  
3 7 obligating any requested emergency expenditures.

3 8 ENFORCEMENT. SEC. 4. Any citizen or taxpayer may, within  
3 9 two years after a tax or fee increase is adopted, bring suit  
3 10 to enforce compliance with this article. If no such suit is  
3 11 filed within the two-year period, the elector approval  
3 12 requirement for that tax or fee increase is negated. The  
3 13 Supreme Court shall have original jurisdiction of any such  
3 14 suit. The Supreme Court shall invalidate any increase which  
3 15 should have been, but was not, submitted to the electors as  
3 16 required by this article and shall order that the revenue  
3 17 collected in violation of this article be refunded or applied  
3 18 to reduce future taxes. A citizen or taxpayer who brings suit  
3 19 and prevails shall receive from the state the costs of the  
3 20 suit, including reasonable attorney fees.

3 21 IMPLEMENTATION. SEC. 5. This article shall be interpreted  
3 22 and implemented to achieve its purpose to increase the  
3 23 electors' control of taxes and fees. The General Assembly  
3 24 shall enact laws to implement this article.

3 25 Sec. 2. REFERRAL AND PUBLICATION. The foregoing proposed  
3 26 amendment to the Constitution of the State of Iowa is referred  
3 27 to the General Assembly to be chosen at the next general  
3 28 election for members of the General Assembly and the Secretary  
3 29 of State is directed to cause it to be published for three  
3 30 consecutive months previous to the date of that election as  
3 31 provided by law.

#### 3 32 EXPLANATION

3 33 This joint resolution proposes an amendment adding a new  
3 34 Article XIII to the Constitution of the State of Iowa, giving  
3 35 the people of Iowa the right to vote on certain adopted  
4 1 increases of taxes and fees, so that the increases will not  
4 2 take effect unless approved by majority vote at a state  
4 3 general election.

4 4 The amendment requires that a law or laws increasing any  
4 5 taxes or fees that would result in new annual revenue of more  
4 6 than 1 percent of total state general fund revenue received in  
4 7 the fiscal year preceding enactment of the law or laws must  
4 8 receive voter approval at a state general election. The  
4 9 amendment defines "new annual revenue". The amendment also  
4 10 defines "increase". This definition includes legislation that  
4 11 allows or requires a local government to impose or increase  
4 12 any tax on income, sales, or property; legislation that has  
4 13 the effect of reducing total state funds transferred to all  
4 14 local governments; and legislation that requires local  
4 15 governments to incur aggregate net cost increases in a fiscal  
4 16 year. The article does not apply to a statewide tax to pay a  
4 17 state debt approved by the people or to motor vehicle fees and  
4 18 fuel taxes.

4 19 The amendment allows the general assembly, at the  
4 20 governor's request and by two-thirds vote, to increase taxes  
4 21 in emergency situations.

4 22 The amendment allows any citizen or taxpayer to bring suit  
4 23 to enforce compliance with the voter approval requirement  
4 24 within two years of adoption of a tax or fee increase. The  
4 25 amendment also provides that the general assembly shall enact  
4 26 laws to implement the amendment.

4 27 The resolution, if adopted, will be referred to the next

4 28 general assembly. If the next general assembly adopts the  
4 29 resolution, the amendment will be submitted to the voters for  
4 30 ratification.  
4 31 LSB 2012XS 82  
4 32 sc:rj/es/88